

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2021069346201**

TO: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)

RE: MD Global Partners, LLC (Respondent)
Member Firm
CRD No. 140988

Pursuant to FINRA Rule 9216, Respondent MD Global Partners, LLC submits this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

MD Global Partners has been a FINRA member since 2006 and conducts a general securities business. The firm, which is based in New York City, has ten registered representatives and two branch offices.¹

OVERVIEW

First, from June 30, 2020, to December 2022, MD Global failed to fully establish, maintain, and enforce written policies and procedures reasonably designed to achieve compliance with Securities Exchange Act Rule 15c-1 (Regulation Best Interest or Reg BI). As a result, the firm willfully violated Exchange Act Rule 15c-1(a)(1) and violated FINRA Rules 3110 and 2010. Second, between January 2019 and March 2024, the firm failed to timely file required documents with FINRA for 16 private placement offerings. As a result, the firm violated FINRA Rules 5123 and 2010. Third, for the years 2019, 2020, 2021, 2022, and 2023, the firm did not complete its annual certification of compliance and supervisory processes. As a result, the firm violated FINRA Rules 3130 and 2010.

¹ For more information about the firm, including prior regulatory events, visit BrokerCheck® at www.finra.org/brokercheck.

FACTS AND VIOLATIVE CONDUCT

This matter originated from FINRA's cycle examinations of MD Global Partners.

A. MD Global Partners failed to establish written policies and procedures reasonably designed to achieve compliance with Reg BI.

As of June 30, 2020, broker-dealers and their associated persons are required to comply with Regulation BI under the Securities Exchange Act of 1934. Rule 15l-1(a)(1) of Reg BI requires a broker, dealer, or a natural person associated with a broker or dealer, when making a recommendation of any securities transaction or investment strategy involving securities (including account recommendations) to a retail customer, to act in the best interest of that retail customer at the time the recommendation is made, without placing the financial or other interest of the broker, dealer, or associated person ahead of the interest of the retail customer. Reg BI's Compliance Obligation, set forth at Exchange Act Rule 15l-1(a)(2)(iv), requires a broker-dealer to establish, maintain, and enforce written policies and procedures reasonably designed to achieve compliance with Reg BI. Reg BI's Adopting Release provides that broker-dealers should consider the nature of that firm's operations and how to design such policies and procedures to prevent violations from occurring, detect violations that have occurred, and to correct promptly any violations that have occurred.²

Additionally, Reg BI's Conflict of Interest Obligation, set forth at Exchange Act Rule 15l-1(a)(2)(iii), requires broker-dealers to establish, maintain, and enforce written policies and procedures addressing conflicts of interest, defined as interests that might incline a broker-dealer or an associated person—consciously or unconsciously—to make a recommendation that is not disinterested.

FINRA Rule 3110 requires member firms to establish, maintain, and enforce a supervisory system, including written procedures, to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws, regulations, and FINRA rules.

Violations of Reg BI or FINRA Rule 3110 also are violations of FINRA Rule 2010, which requires member firms to "observe high standards of commercial honor and just and equitable principles of trade" in the conduct of their business.

From June 30, 2020, to December 2022, MD Global Partners failed to establish, maintain, and enforce written policies and procedures reasonably designed to achieve compliance with Reg BI. Despite the firm's awareness of Reg BI's June 30, 2020, implementation date, the firm's WSPs during this period contained no provisions related to compliance with Reg BI.³

² *Regulation Best Interest: The Broker-Dealer Standard of Conduct*, Exchange Act Release No. 86031, 84 FR 33318 at 33397 (July 12, 2019).

³ MD Global Partners revised its WSPs beginning in December 2022 to provide guidance regarding Reg BI.

From June 30, 2020, to December 2022, MD Global Partners also failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with Reg BI. During that period, the firm's WSPs failed to detail the supervisory steps and reviews that should be undertaken by the principal responsible for supervising compliance with Reg BI—including the frequency of those review or how the reviews should be documented.

Therefore, MD Global Partners willfully violated Exchange Act Rule 15c-1(a)(1) and violated FINRA Rules 3110 and 2010.

B. MD Global Partners failed to timely file required documents for private placement filings.

FINRA Rule 5123(a) requires, among other things, that a member that sells a private placement to (i) submit to FINRA, or have submitted on its behalf, a copy of any private placement memorandum, term sheet, or other offering document used in connection with such sale within 15 calendar days of the date of first sale, or (ii) notify FINRA that no such offering documents were used. As noted in Regulatory Notice 12-40, Rule 5123 was implemented to “enhance oversight and investor protection” and provide “more timely and complete information about the private placement activities of firms on behalf of other issuers.” A violation of FINRA Rule 5123 is also a violation of FINRA Rule 2010.

Between January 2019 and March 2024, MD Global Partners failed to timely file required documents with FINRA for 16 private placement offerings. Instead of making the required filings for these offerings within 15 calendar days of the date of first sale, the firm made the filings between one month and almost a year and a half after the date of first sale, and in one case failed to make the required filings at all. As a result, the firm violated FINRA Rules 5123 and 2010.

C. MD Global Partners failed to complete its annual certification of compliance and supervisory processes for five years.

FINRA Rule 3130(b) requires that member firms have their chief executive officer certify annually that the member firm has in place processes to establish, maintain, review, test, and modify written compliance policies and WSPs reasonably designed to achieve compliance with applicable rules and federal securities laws and regulations, and that the CEO has conducted one or more meetings with the chief compliance officer in the preceding 12 months to discuss such processes. Under Rule 3130(c), the CEO must certify, among other things, that the firm's compliance and supervisory processes “are evidenced in a report reviewed by” the CEO, CCO, and other officers as needed. A violation of FINRA Rule 3130 is also a violation of FINRA Rule 2010.

From 2019 to 2023, MD Global Partners did not prepare a report evidencing the firm's compliance and supervisory processes, and the firm did not complete its annual certification of compliance and supervisory processes. As a result, the firm violated FINRA Rules 3130 and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a censure and
- a \$40,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payments are due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

Respondent understands that this settlement includes a finding that it willfully violated Rule 15c-1(a)(1) of the Securities Exchange Act of 1934 and that under Article III, Section 4 of FINRA's By-Laws, this makes Respondent subject to a statutory disqualification with respect to membership.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against it;
- B. To be notified of the complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 - 3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and
 - 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.
- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct.

Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this statement. This statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA.

The undersigned, on behalf of Respondent, certifies that a person duly authorized to act on Respondent's behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce Respondent to submit this AWC.

March 17, 2025

Date



MD Global Partners, LLC

Respondent

Print Name: Owen May

Title: ceo

Reviewed by:



Richard Rossi

Advocate Law Offices PA

Counsel for Respondent

21218 St. Andrews Boulevard, #225

Boca Raton, FL 33433

Accepted by FINRA:

April 11, 2025

Date

Signed on behalf of the
Director of ODA, by delegated authority

Michael Agosta

Michael Agosta
Counsel
FINRA
Department of Enforcement
200 Liberty Street
New York, NY 10281